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Trademark Trial and Appeal Board

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In re Federal Agricultural Mortgage Corporation

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Serial No. 76/154,862

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Jeffrey D. Sanok of Crowell & Moring, LLP for Federal  
Agricultural Mortgage Corporation.

Brendan D. McCauley, Trademark Examining Attorney, Law  
Office 101 (Angela Wilson, Managing Attorney).

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Before Bucher, Holtzman and Drost, Administrative Trademark  
Judges.

Opinion by Drost, Administrative Trademark Judge:

Federal Agricultural Mortgage Corporation (applicant)  
filed an application to register the mark AGEQUITY in typed  
form on the Principal Register for services identified as  
"loan services, namely revolving lines of credit secured by  
agricultural real estate" in International Class 36.

The application (Serial No. 76/154,862), based on an allegation of a bona fide intention to use the mark in commerce, was filed on October 26, 2000.

The examining attorney refused registration on the ground that the mark was merely descriptive under Section 2(e)(1) of the Trademark Act, 15 U.S.C. § 1052(e)(1), because AG is an abbreviation for "agricultural" and "equity" means the value of the property beyond any mortgage. Therefore, "in relation to the applicant's services, the term indicates the value of the agricultural real estate upon which the revolving line of credit is secured." Brief at 6.

The examining attorney relies on the following evidence to show that the mark is merely descriptive. First, the examining attorney submits a page from the *Acronyms, Initialisms & Abbreviations Dictionary* to show that "AG" can be an abbreviation for "agricultural." Another excerpt from *The American Heritage Dictionary of the English Language* defines "equity" as "the residual value of a business or property beyond any mortgage thereon and liability therein." Other evidence includes printouts from the NEXIS/LEXIS database showing that "AG" is an abbreviation for "agricultural." Some of these excerpts are set out below.

Did you know that it is not properly zoned. It is zoned (AG) Agricultural.  
*Arizona Republic*, February 2, 2001.

"I'm not going to throw ag (agricultural interests) under the bus simply for the sake of throwing ag under the bus," he said.  
*Palm Beach Post*, January 9, 1999.

Of the nine districts, the bulk of the parish is zoned AG, the agricultural classification.  
*The Advocate* (Baton Rouge, LA), September 11, 1998.

Gingrich likes Matt Fong, and Dan Lungren could argue that enthusiasm from ag (agricultural interests) could help him become governor..."  
*San Francisco Chronicle*, August 2, 1998.

"This way we can be more specific with our marketing programs and go after the ag (agricultural) distributor."  
*National Home Center News*, September 26, 1994.

Everybody, including a substantial part of the ag (agricultural) leadership, has recognized that we have to first set water quality standards for the Delta."  
*San Diego Business Journal*, May 30, 1994.

"The only thing we see south of Cairo is impact to low ag (agricultural) lands," said Dewey Jones, chief of the hydraulics branch for the corps' Memphis district.  
*Commercial Appeal* (Memphis), July 21, 1993.

"Everybody knows that agricultural interests made Lake County. Ag (agricultural) people need to become more outspoken on county affairs."  
*Orlando Sentinel Tribune*, May 2, 1992.

The examining attorney also included copies of registrations to show that the term "equity" has been disclaimed in registrations involving loan services. See Registration Nos. 1,580,487; 2,111,056; 1,996,650; 1,996,651; 2,322,018; and 1,988,717.

Based on this record, the examining attorney concludes that AGEQUITY merely describes applicant's services as an "equity loan in the nature of a line of credit secured by agricultural real estate." Brief at 7.

Applicant makes several arguments to support its position that its mark is suggestive. Applicant maintains that AG "does not remotely relate to loan services, and that the term 'equity' does not refer to loan services." Brief at 6. Also, applicant maintains that the public would view the mark as AGE QUNITY. "When one first views the mark AGEQUITY, and when one first 'sounds out' the mark, the term AGE is first seen and/or pronounced before the "QUITY" is considered." Brief at 5. Applicant concludes that its mark requires imagination, thought or perception and that the mark is therefore suggestive.

We agree with the Examining Attorney that applicant's mark is merely descriptive and, therefore, we affirm the refusal to register.

For a mark to be merely descriptive, it must immediately convey knowledge of the ingredients, qualities, or characteristics of the goods or services. In re Gyulay, 820 F.2d 1216, 3 USPQ2d 1009, 1009 (Fed. Cir. 1987); In re Quik-Print Copy Shops, Inc., 616 F.2d 523, 205 USPQ 505, 507 (CCPA 1980). Courts have long held that to be "merely

descriptive," a term need only describe a single significant quality or property of the goods. In re Gyulay, 820 F.2d 1216, 3 USPQ2d 1009, 1009 (Fed. Cir. 1987; Meehanite Metal Corp. v. International Nickel Co., 262 F.2d 806, 120 USPQ 293, 294 (CCPA 1959). Descriptiveness of a mark is not considered in the abstract, but in relation to the particular goods or services for which registration is sought. In re Abcor Dev. Corp., 588 F.2d 811, 200 USPQ 215, 218 (CCPA 1978).

We must consider whether the mark in its entirety is merely descriptive. P.D. Beckwith, Inc. v. Commissioner, 252 U.S. 538, 545-46 (1920). However, "[i]t is perfectly acceptable to separate a compound mark and discuss the implications of each part thereof ... provided that the ultimate determination is made on the basis of the mark in its entirety." In re Hester Industries, Inc., 230 USPQ 797, 798 n.5 (TTAB 1986).

The evidence of record clearly supports a conclusion that AG is an abbreviation of the term "agricultural," and it would be recognized as such by potential customers for loans secured by agricultural real estate. Also, despite applicant's protestations, the term "equity" meaning "the residual value of a business or property beyond any mortgage thereon and liability therein" would be very

relevant in the field of loan services. The fact that it has been disclaimed in several registrations involving loan services supports the descriptiveness of the term.

Obviously, equity would be the value of property that is available on which to secure a loan. See, e.g., Barron's Dictionary of Real Estate Terms, 5<sup>th</sup> Edition ("Equity Loan see Home Equity Loan, Second Mortgage"; "Home Equity Loan - a loan secured by a second mortgage on one's principal residence, generally to be used for some non-housing expenditure. Generally, two types are available. A Line-of-Credit home equity loan establishes a credit line that can be drawn upon as needed. A traditional second mortgage provides lump-sum proceeds at the time the loan is closed"). See also Barron's Dictionary of Finance and Investment Terms ("Homeowner's Equity Account - credit line offered by banks, savings and loans, brokerage firms, credit unions and other mortgage lenders allowing a homeowner to tap into built-up equity in his or her home").<sup>1</sup> When the terms "AG" and "equity" are used together for loan services it is clear that the combined term immediately tells potential customers that applicant's services would

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<sup>1</sup> We take judicial notice of these definitions. University of Notre Dame du Lac v. J.C. Gourmet Food Imports Co., 213 USPQ 594, 596 (TTAB 1982), aff'd, 703 F.2d 1372, 217 USPQ 505 (Fed. Cir. 1983).

involve making loans secured by agricultural real estate in a manner somewhat similar to a home equity loan.

The next question is whether the elimination of the space between the terms AG and EQUITY results in the creation of a suggestive term. When two descriptive words are combined by eliminating the space, the resulting combined term has often been held to still be descriptive. See In re Gould Paper Corp., 834 F.2d 1017, 5 USPQ2d 1017 (Fed. Cir. 1987) (SCREENWIPE generic for a wipe for cleaning television and computer screens); Abcor Dev. (GASBADGE at least descriptive for gas monitoring badges; three judges concurred in finding that term was the name of the goods); Cummins Engine Co. v. Continental Motors Corp., 359 F.2d 892, 149 USPQ 559 (CCPA 1966) (TURBODIESEL generic for a type of engine); In re Orleans Wines, Ltd., 196 USPQ 516 (TTAB 1977) (BREADSPRED descriptive for jams and jellies that would be a spread for bread); In re Perkin-Elmer Corp., 174 USPQ 57 (TTAB 1972) (LASERGAGE merely descriptive for interferometers utilizing lasers). Similarly, when the terms "AG" and "Equity" are combined, they simply describe a type of equity loan secured by agricultural real estate.

Perhaps applicant's best argument is that its mark would not be viewed as AG EQUITY, but AGE QUNITY. However,

we are not persuaded by this argument. First, applicant's argument is undercut by the fact that "quity" has no meaning in the English language and it is not clear why prospective purchasers of loan services would divide the mark in that fashion. Second, applicant has presented its mark as a typed drawing so it is not claiming any particular style and applicant's mark may be displayed as AGEquity, **AGE**QUITY or AGEQUITY. Third, it is unlikely that customers for agricultural loans would "associate the mark with a plan designed to invest or save money in line with one's AGE" as applicant maintains. Brief at 5. Applicant's services are loan services not savings plans. What customers may think the term means in relation to other goods or services is not relevant to the issue of descriptiveness here.

The fundamental flaw in applicant's argument is that it applies the wrong test. Applicant argues that it "requires imagination, thought or perception, to reach the conclusion that the mark AGEQUITY might be for 'loan services; namely, revolving lines of credit secured by agricultural real estate.'" Brief at 5. Obviously, this is not correct. The test is not whether prospective purchasers can guess what applicant's goods or services are after seeing applicant's mark alone. Abcor Dev., 200 USPQ



at 218 ("Appellant's abstract test is deficient - not only in denying consideration of evidence of the advertising materials directed to its goods, but in failing to require consideration of its mark 'when applied to the goods' as required by statute"). We must look at the mark in the context of applicant's loan services involving lines of credit secured by agricultural real estate to see if the mark informs prospective purchasers of applicant's services of a feature or characteristic of those services. Viewed in that light, the term AGEQUITY would immediately inform customers that applicant's revolving lines of credit are loans secured by equity in agricultural real estate.

Decision: The refusal to register is affirmed.